

News Release



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Deputy Assistant Secretary of Labor Testifies at Hearing On Small Businesses Access to Health Insurance Options “AHPs Can Increase Access to Affordable Health Coverage for Workers in Pennsylvania”

NORRISTOWN, Pa.—Bradford Campbell, Deputy Assistant Secretary of the U. S. Labor Department’s Employee Benefits Security Administration, today testified before the Senate Committee on Appropriations, Subcommittee on Labor, Health and Human Services, and Education hearing in Norristown, Pa., on expanding health coverage for small business employers by increasing access to affordable, quality health insurance for workers and their families.

“Although most Americans get health insurance from their employers, just 49 percent of small businesses offer health insurance, compared to 98% of large employers,” said Campbell. “The coverage gap is directly related to the cumulative factors of higher insurance costs, administrative overhead and regulatory burdens that place smaller employers at a disadvantage in the insurance marketplace.”

The lack of options and the exceptionally high costs of healthcare prevent many small businesses from offering health coverage. Small business health plans can provide more options and reduce the cost of health coverage for small employers and their employees.

Campbell also explained how small businesses are more vulnerable to scams that promise low-cost health coverage but intentionally default on their obligations to pay claims. He told the Committee that small business health plans provide an alternative to fraudulent health plans that are certified, regulated and closely monitored by the Labor Department. In addition, he explained how these plans work to reduce the current market and financial barriers by giving small businesses greater bargaining power, economies of scale, administrative efficiencies and uniformity of regulatory structure.

Campbell concluded his testimony by saying, “The Administration strongly supports Association Health Plan legislation and will work with Congress to pass a bill. AHP legislation is the best option for giving working Americans and their families the security of affordable, quality health insurance.”

The hearing was chaired by Senator Arlen Specter (R-Pa.) at Norristown, Pa. The Senate bill, S. 545, is similar to H.R. 660, which passed the House in 2003 with broad-based bipartisan support.

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